

AR38

# DICKENSON MINES

L I M I T E D

MAY 1963



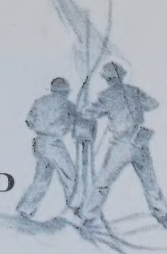
## 1963

19th. Annual Report





# DICKENSON MINES LIMITED



<b>Directors</b>	A. W. WHITE	-	-	-	-	-	-	-	Toronto, Ont.
	C. R. DIEBOLD	-	-	-	-	-	-	-	Buffalo, N.Y.
	F. A. FELL	-	-	-	-	-	-	-	Balmertown, Ont.
	M. L. URQUHART	-	-	-	-	-	-	-	Toronto, Ont.
	R. A. JODREY	-	-	-	-	-	-	-	Hantsport, N.S.
	S. C. SMITH	-	-	-	-	-	-	-	Toronto, Ont.
	R. F. ROCK	-	-	-	-	-	-	-	Wilmington, Delaware

<b>Officers</b>	ARTHUR W. WHITE	-	-	-	-	-	-	-	President
	CHARLES R. DIEBOLD	-	-	-	-	-	-	-	Vice-President
	H. RODNEY HEARD	-	-	-	-	-	-	-	Secretary-Treasurer
	LAWRENCE W. McILMURRAY	-	-	-	-	-	-	-	Assistant Secretary
	LOUIS V. BARBISAN	-	-	-	-	-	-	-	Assistant Treasurer

<b>Executive Office</b>	25 ADELAIDE ST. WEST, SUITE 416	-	-	-	-	-	-	-	Toronto, Ont.
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<b>Mine Office</b>	FREDERICK A. FELL	-	-	-	-	-	-	-	General Manager
	BALMERTOWN, ONTARIO								

<b>Auditors</b>	MCDONALD, NICHOLSON & Co.	-	-	-	-	-	-	-	Toronto, Ont.
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<b>Bankers</b>	CANADIAN IMPERIAL BANK OF COMMERCE	-	-	-	-	-	-	-	Toronto, Ont.
	THE BANK OF NOVA SCOTIA	-	-	-	-	-	-	-	Toronto and Balmertown, Ont.

<b>Registrar and Transfer Agents</b>	THE STERLING TRUSTS CORPORATION	-	-	-	-	-	-	-	Toronto, Ont.
	BANK OF NEW YORK	-	-	-	-	-	-	-	New York City
	THE FIRST NATIONAL BANK OF JERSEY CITY	-	-	-	-	-	-	-	New Jersey

<b>Annual Meeting</b>	10:30 A.M., May 22, 1964
	Tudor Room
	Royal York Hotel
	Toronto, Ont.



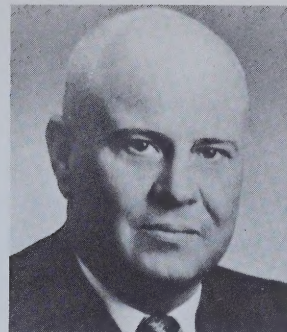
## SUMMARY OF OPERATIONS

### The Dickenson Mine

	1963	1962	1961	To Date
TONS ORE MILLED .....	178,527	175,767	171,935	2,036,905
Daily average .....	489	482	471	372
Grade ounces per ton (Millheads) .....	0.554	0.559	0.561	0.546
PRODUCTION:				
Value less marketing charges .....	\$3,458,468	\$3,387,667	\$3,123,029	\$34,668,735
Ounces gold .....	91,709	90,522	88,358	993,761
Per ton milled .....	\$19.37	\$19.27	\$18.16	\$17.02
Value received per ounce .....	\$37.71	\$37.55	\$35.47	\$34.89
EMERGENCY GOLD MINING ASSISTANCE ....	—	—	—	\$ 1,636,900
Per ton milled to which aid applies (1949-1956 841,172 tons) .....	—	—	—	\$1.946
TOTAL REVENUE FROM ALL SOURCES .....	\$3,507,288	\$3,484,959	\$3,175,854	\$36,630,636
Per ton milled .....	\$19.65	\$19.83	\$18.47	\$17.98
CASH FLOW — Profit before depreciation and write-offs .....	\$1,055,310	\$1,340,595	\$ 939,951	\$13,388,336
Per ton milled .....	\$5.91	\$7.63	\$5.47	\$6.57
Per share .....	\$0.30	\$0.38	\$0.27	\$3.81
NET PROFIT .....	\$ 826,924	\$1,134,877	\$ 703,447	\$ 7,377,370
Per ton milled .....	\$4.63	\$6.46	\$4.09	\$3.62
Per share .....	\$0.24	\$0.32	\$0.20	\$2.10
DIVIDENDS — 1953 to 1963 inclusive .....	\$ 912,688	\$ 631,861	\$ 631,569	\$ 4,775,961
Per share .....	\$0.26	\$0.18	\$0.18	\$1.54
ORE RESERVES — tons at end of period .....	591,369	576,717	467,550	—
Grade — ounces per ton .....	0.507	0.515	0.543	—
NO. OF EMPLOYEES .....	290	290	265	—
SHAREHOLDERS .....	4,151	4,240	4,203	—



## PRESIDENT'S REPORT TO SHAREHOLDERS



ARTHUR W. WHITE

It is a pleasure for me, on behalf of the board of directors, to present herewith the annual report of your Company for the year ended December 31, 1963.

During the year under review, several performance records were established, notably — production of gold — value of production — dividends — ore reserves — all of which exceeded any previous year in the history of the mine.

Of the Company's outside interests, the Violamac, Kam-Kotia operation has again shown remarkable gains, as regards to both production and development. More details appear later in this report under separate heading.

### DIVIDENDS AND EARNINGS

Dividends totalling 26 cents per share, amounting to \$912,688 were declared in 1963. This compares with 18 cents per share in 1962.

Net profit for 1963 was lower at \$826,924, or 24 cents per share, compared with \$1,134,877, or 32 cents per share, in 1962.

The Detta claims (south section of the Dickenson property) were originally purchased as protection for ore extensions. Prior to 1963 all development costs of these claims were deferred and appear in the 1962 Balance Sheet as — "Deferred Development Expenditures . . . \$720,879". In Dickenson accounting procedure, such costs are charged to operations in the year incurred. During 1963 management considered it desirable to bring the recording of Detta costs into line with our general accounting practice. Consistent with this decision, development costs deferred at 31st December, 1962 have been charged to Earned Surplus and current year costs, amounting to \$302,607, are included in the Statement of Operations under "Exploration and Development" and "Mining" in 1963.

The sum total of this redistribution of cost, therefore, accounts for the apparent reduction in net profit during 1963 but will, of course, benefit the Company in ensuing years.

### MINING OPERATIONS

During 1963, 91,709 ounces of gold and 7,926 ounces of silver having a value of \$3,476,071 were produced from 178,527 tons of ore milled. Corresponding figures for 1962 were 90,522 ounces of gold and 7,968 ounces of silver, having a value of \$3,408,285 from 175,767 tons of ore milled.

All gold was sold as in the previous year, through the facilities of the Bank of Nova Scotia. An average of \$37.78 per ounce for gold and \$1.38 per ounce for silver was received in 1963 as compared with \$37.55 and \$1.17 respectively in 1962.

## EXPLORATION AND DEVELOPMENT

The General Manager's report sets out details of exploration and development of the mine. Of particular interest are his remarks on the ore zones which show the results of development work.

During the year, 46 prospects were examined and reported upon by the exploration department working from the mine office.

## ORE RESERVES AND MINE PLANNING

Positive ore reserves at December 31, 1963 were 591,369 tons grading 0.507 ounces per ton. This compares with 576,717 tons grading 0.515 ounces per ton at December 31, 1962.

The 23rd level cross-cut was completed to a point 2,930 feet south of the shaft. This is a multi-purpose cross-cut, in that it will (a) service the upper levels of the Robin Red Lake Mine; (b) be a main haulageway between the main shaft and a winze or internal shaft to be sunk to serve the lower horizons of the Dickenson Mine and ore situated below the 23rd level on the Detta claims; (c) be used for exploration to the west side of the Dickenson property adjacent to the Campbell boundary.

A geological study is in progress to determine the best location of the internal shaft. A comprehensive program of shaft sinking and subsequent development of deeper levels is planned to follow. In the meantime, the excellent condition of the mine forecasts continuing prosperity for the future.

## VIOLAMAC MINES LIMITED

Your company's investment in Violamac Mines which consists of 49.4% of the issued shares continues to be a bright asset in the Dickenson portfolio.

The Violamac assets include a 96¼% interest in Kam-Kotia Porcupine Mines, Limited, a profitable copper producer; a 100% interest in Cobalt Refinery Limited which owns the only custom silver refinery in the Cobalt - Gowganda Silver mining area; and 465,009 shares of Dickenson Mines Limited.

Consolidated net income for 1963 of Violamac Mines and its subsidiary companies was \$803,767 or 22 cents per share.

The western operations of Violamac were encouraging in 1963 due to work being done by Silmonac Mines Limited in which Violamac owns a 28% interest.



A copy of the Violamac Mines annual report is being forwarded to all Dickenson shareholders for more detailed information. Your attention is drawn to the excellent performance of the Kam-Kotia operations in the Timmins mining area.

### **TUNDRA GOLD MINES LIMITED**

**(formerly Taurcanis Mines Limited)**

On April 12, 1964, the first gold bar was poured at the Tundra Mine in the Northwest Territories; now, the most northerly gold producer in Canada; climaxing seven years of concentrated effort.

Dickenson Mines owns 22% of the issued common shares and 30% of the issued preferred shares of Tundra Gold Mines.

### **ROBIN RED LAKE MINES LIMITED**

During 1963 a total of 1,270 feet of lateral development and 1,300 feet of diamond drilling was done on extensions of the Dickenson 17th and 19th levels into the Robin property.

Under a further agreement with Robin, Dome and Noranda, Dickenson has started a line drive from the 23rd level main haulageway to explore Robin at this horizon. The cost of this drive, which at the end of the year was approximately 952 feet from the Robin boundary, is being absorbed equally by Dickenson Mines and Robin Red Lake.



### **CRAIBBE-FLETCHER GOLD MINES LIMITED**

Dickenson's ownership of over 25% of the issued shares of Craibbe-Fletcher Gold Mines remains unchanged.

Although no further work was done in 1963, the experience of its neighbour to the west undoubtedly enhances Craibbe-Fletcher chances. Future exploration of the property will benefit from such information as it becomes available.

### **OTHER INTERESTS AND INVESTMENTS**

Continuing its policy of diversification of interests, your Company has substantial shareholdings in Abino Gold Mines Limited, Consolidated Brewis Minerals Limited, Redcon Gold Mines Limited, Laddie Gold Mines Limited, Parvus Gold Mines Limited and Duchesne Red Lake Mines Limited, all situated in the Red Lake area.

In addition to these, your company's interests include a substantial holding in Penobscot Mining Company Limited, which owns a partially developed copper-zinc deposit in the State of Maine, U.S.A., presently being investigated for further development.

Dickenson Mines also controls two important mining groups in the Timmins copper mining area.

## OUTLOOK

At the Dickenson Mine, our engineering and geological staffs have recorded their opinion, based on present development, that we can confidently look forward to many years of profitable operation.

Our Company's investments of recent years are now showing increasing evidence of appreciation in value, and will add substantially to future income.

## APPRECIATION

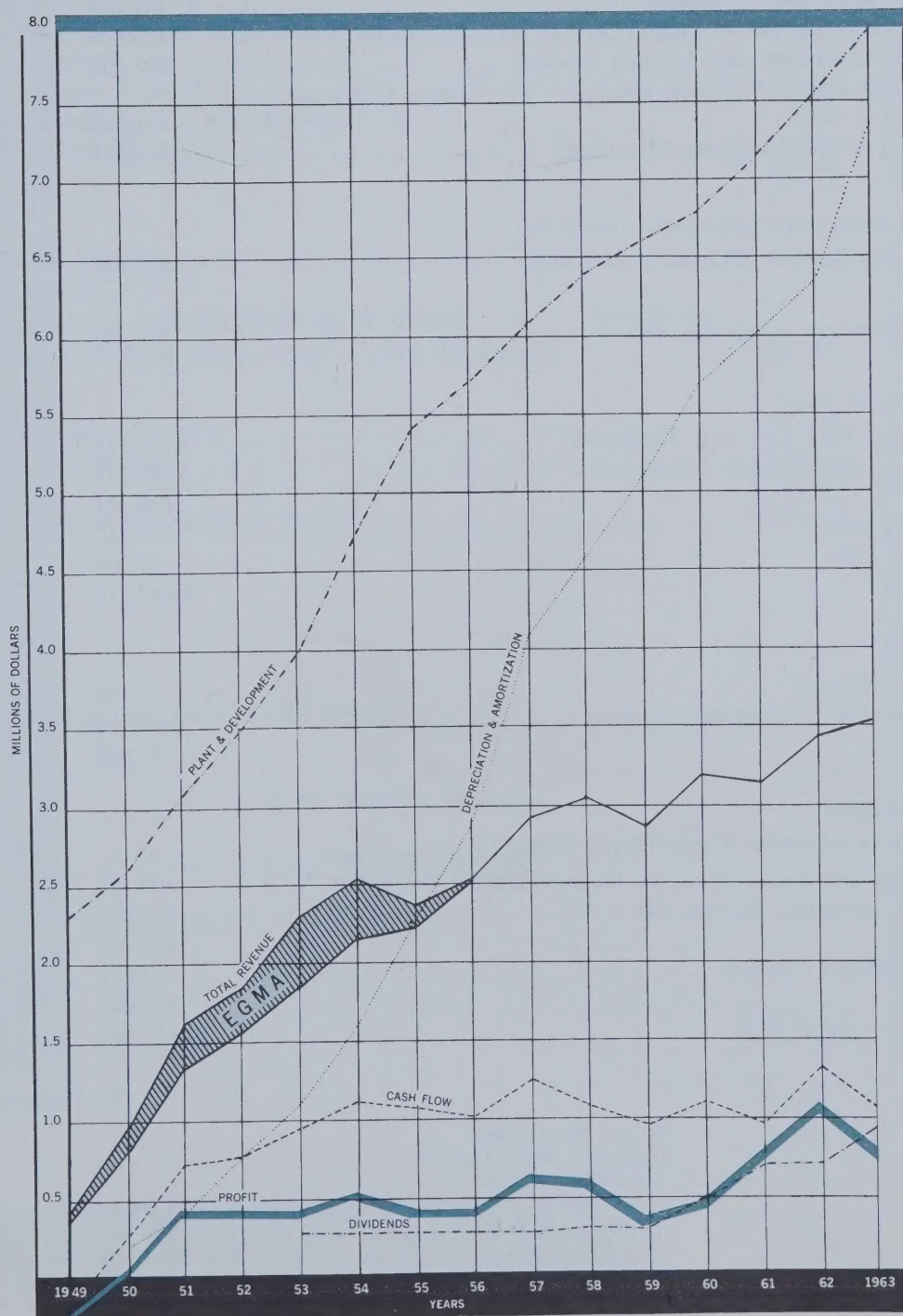
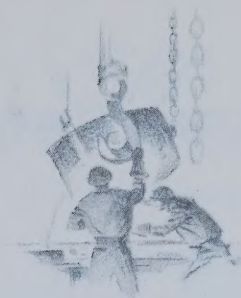
It is a great pleasure for me personally and on behalf of the directors to express sincere thanks and appreciation to the shareholders, the general manager, departmental heads and employees for their loyal and coordinated efforts which have contributed towards another outstanding year.

ARTHUR W. WHITE,  
President.

April 24, 1964.



# RECORD OF OPERATIONS





# DICKENSON MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)

(With comparative balances at 31st December, 1962)

## ASSETS

	1963	1962
<b>CURRENT ASSETS:</b>		
Cash on Hand and in Banks .....	\$ 107,569	\$ 76,185
Bullion on Hand and in Transit, at net realizable value .....	135,555	185,577
Accounts Receivable and Accrued Interest .....	222,761	216,843
Kam-Kotia Porcupine Mines Limited — 6% Income Debenture ....	—	780,000
	<u>465,885</u>	<u>1,258,605</u>
INVESTMENTS, at cost (Summary Attached) .....	<u>1,847,655</u>	<u>1,500,778</u>
 INTEREST IN AFFILIATED COMPANIES (Note 4), at cost less Reserve (Summary Attached) .....	 <u>3,883,819</u>	 <u>3,708,572</u>
 STORES AND SUPPLIES, at average cost .....	 <u>372,205</u>	 <u>398,157</u>
 FIXED ASSETS, at cost:		
Buildings, Machinery and Equipment .....	4,637,224	4,256,186
Less: Accumulated Depreciation .....	<u>3,940,678</u>	<u>3,732,676</u>
	696,546	523,510
Mining Claims .....	264,227	264,227
Townsite Lots .....	<u>82,738</u>	<u>81,163</u>
	<u>1,043,511</u>	<u>868,900</u>
 OTHER ASSETS:		
Prepaid Expenses .....	21,190	17,553
Deposits with Government Agencies .....	<u>20,478</u>	<u>20,477</u>
	<u>41,668</u>	<u>38,030</u>
 DEFERRED CHARGES:		
Deferred Development Expenditures (Note 1) .....	—	720,879
Interest in and Expenditures on Outside Mining Properties .....	460,305	437,003
Less: Amounts Written Off .....	<u>264,060</u>	<u>242,977</u>
	196,245	194,026
Other Deferred Charges .....	<u>22,657</u>	<u>20,848</u>
	<u>218,902</u>	<u>935,753</u>
	<u>\$7,873,645</u>	<u>\$8,708,795</u>

The accompanying Notes form a

To the Shareholders,  
Dickenson Mines Limited,  
TORONTO, Canada.

**AUDITORS**

We have examined the Balance Sheet of DICKENSON MINES LIMITED as at 31st December, 1963, together with the Statements of Operations, Earned Surplus and Contributed Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

TORONTO, 6th March, 1964.



# Balance Sheet

31st December, 1963

## LIABILITIES

### CURRENT LIABILITIES:

	1963	1962
Bank Loan — Secured .....	\$ 325,000	\$ 665,000
Accounts Payable and Accrued Liabilities .....	326,522	266,545
Wages Accrued .....	36,396	31,381
Mining Taxes Accrued .....	39,798	34,000
Income Taxes Payable and Accrued (Note 2) .....	3,000	8,021
Dividend Payable .....	245,724	—
	<u>976,440</u>	<u>1,004,947</u>

### SHAREHOLDERS' EQUITY:

#### Capital Stock

Authorized 3,750,000 shares of \$1.00 each .....	<u>\$3,750,000</u>	
Issued 3,510,340 shares (1962 — 3,510,340 shares) .....	<u>3,510,340</u>	<u>3,510,340</u>

#### Surplus

Contributed Surplus .....	1,331,809	1,331,809
Earned Surplus .....	2,055,056	2,861,699
	<u>3,386,865</u>	<u>4,193,508</u>
Total Shareholders' Equity .....	<u>6,897,205</u>	<u>7,703,848</u>

Approved on behalf of the Board:

A. W. WHITE, Director.

S. C. SMITH, Director.

\$7,873,645

\$8,708,795

Integral part of this Statement.

## REPORT

In our opinion the accompanying Balance Sheet and related Statements of Operations, Earned Surplus and Contributed Surplus present fairly the financial position of the Company as at 31st December, 1963, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied, except for the changes described in Note 1, on a basis consistent with that of the preceding year.

McDONALD, NICHOLSON & CO.,

Chartered Accountants.



# DICKENSON MINES LIMITED

## Summary of Investments and Interests in Affiliated Companies

31st December, 1963

(With comparative balances at 31st December, 1962)

	BOOK VALUE	
	1963	1962
INVESTMENTS:		
Listed Shares, at cost (Quoted Market Value \$537,662) (\$454,447 in 1962) .....	\$ 499,497	\$ 445,620
Other Shares and Securities, at cost .....	1,348,158	1,055,158
	<u>\$1,847,655</u>	<u>\$1,500,778</u>
INTEREST IN AFFILIATED COMPANIES:		
Shares and Securities, at cost less Reserve		
Listed Shares		
Violamac Mines Limited, 1,834,099 shares (1,829,099 shares in 1962)		
(Quoted Market Value \$5,080,454) (\$2,524,157 in 1962) .....	\$2,381,009	\$2,352,434
Other Listed Shares (Quoted Market Value \$151,905) (\$143,258 in 1962) .....	182,465	202,464
Other Shares and Securities .....	952,848	910,895
	<u>3,516,322</u>	<u>3,465,793</u>
Advances, less Reserve .....	367,497	242,779
	<u>\$3,883,819</u>	<u>\$3,708,572</u>

The accompanying Notes form an integral part of this Statement.



# DICKENSON MINES LIMITED

## Statement of Contributed Surplus

*For the year ended 31st December, 1963*

(With a comparative statement for the year ended 31st December, 1962)

	1963	1962
BALANCE at beginning of year .....	\$1,331,809	\$1,331,609
<i>Add:</i>		
Premium on shares issued during the year .....	—	200
BALANCE at end of year .....	<u>\$1,331,809</u>	<u>\$1,331,809</u>

## Statement of Earned Surplus

*For the year ended 31st December, 1963*

(With a comparative statement for the year ended 31st December, 1962)

	1963	1962
BALANCE at beginning of year .....	\$2,861,699	\$2,366,704
<i>Add:</i>		
Net Profit for the year .....	826,924	1,134,877
	<u>3,688,623</u>	<u>3,501,581</u>
<i>Deduct:</i>		
Dividends declared and paid .....	912,688	631,861
Preproduction Expenses incurred prior to 1963, written-off (Note 1) .....	720,879	—
Provision for Prior Years' Income Taxes — New Dickenson Mines Limited to date of Amalgamation, 10th October, 1960	—	8,021
	<u>1,633,567</u>	<u>639,882</u>
BALANCE at end of year .....	<u>\$2,055,056</u>	<u>\$2,861,699</u>

The accompanying Notes form an integral part of this Statement.

# DICKENSON MINES LIMITED

## Statement of Operations

For the year ended 31st December, 1963

(With a comparative statement for the year ended 31st December, 1962)

	1963	1962
Bullion Production .....	\$3,476,071	\$3,408,285
Less: Marketing Expense .....	17,603	20,618
	<u>3,458,468</u>	<u>3,387,667</u>
<i>Deduct:</i>		
Exploration and Development (Note 1) .....	582,295	448,014
Mining (Note 1) .....	900,373	761,328
Milling .....	470,492	454,846
Mine General .....	340,881	335,337
Head Office Administration and General .....	127,437	111,770
Provision for Tax under the Mining Tax Act, Ontario .....	30,500	33,069
	<u>2,451,978</u>	<u>2,144,364</u>
Profit from Operations before Provision for Depreciation .....	1,006,490	1,243,303
<i>Deduct:</i>		
Provision for Depreciation of Buildings, Machinery and Equipment .....	207,304	182,728
	<u>799,186</u>	<u>1,060,575</u>
<i>Add:</i>		
Income from Investments .....	53,142	97,496
(Loss) on Sale of Fixed Assets .....	(5)	(204)
(Loss) on Sale of Investments .....	(4,317)	—
	<u>48,820</u>	<u>97,292</u>
Profit before Amortization of Deferred Development Expenditures and Write-off of Outside Exploration .....	848,006	1,157,867
<i>Deduct:</i>		
Outside Exploration Written-off .....	21,082	22,990
NET PROFIT for the year .....	<u>\$ 826,924</u>	<u>\$1,134,877</u>

The accompanying Notes form an integral part of this Statement.



# DICKENSON MINES LIMITED

## Notes to Financial Statements

31st December, 1963

### 1. DEFERRED DEVELOPMENT EXPENDITURES

In 1963 the Company has charged to income \$302,607 being the amount expended during the year on development of the former Detta claims. Similar expenditures in the amount of \$720,879 deferred in prior years (of which \$268,818 were applicable to 1962) have been charged to Earned Surplus.

### 2. INCOME TAXES

Amounts claimed for Income Tax purposes in 1963 in respect of depreciation, development expenditures and other charges exceed the amounts recorded in the Company's accounts by approximately \$1,170,500; accordingly, no provision has been made for taxes on income for the current year. Net Profit may be affected at some future time should the amounts claimed for Tax purposes become less than the amounts then recorded in the accounts.

### 3. DIRECTORS' REMUNERATION

The total remuneration of Directors, as such, for each of the years 1963 and 1962 was \$7,000.

### 4. SUBSEQUENT TRANSACTIONS

Subsequent to Balance Sheet date the Company accepted the undernoted settlement in full of advances to DeCoursey-Brewis Minerals Limited in the amount of \$355,168.76:

70% interest in 14 patented Mining Claims and 3 Licenses of Occupation in Balmer Township, Red Lake Mining Division	\$271,955.66
Issue of 832,131 shares of DeCoursey-Brewis Minerals Limited	83,213.10
	<u>\$355,168.76</u>

Concurrently, DeCoursey-Brewis re-organized its capital structure, exchanging 1 new share for 4 old shares, and the Company subscribed for 125,000 new shares for a total consideration of \$50,000.

# D I C K E N S O N   M I N E S   L I M I T E D

## STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

*For the year ended 31st December, 1963*

### SOURCES OF FUNDS

#### Operations

Net Profit for the year .....	\$ 826,924		
<i>Add:</i> Charges to operations which in themselves did not require an outlay of funds during the year			
Outside Exploration Written-Off .....	\$ 21,082		
Provision for Depreciation .....	207,304	228,386	\$1,055,310
Decrease in Stores and Supplies .....			25,952
			<u>\$1,081,262</u>

### DISPOSITION OF FUNDS

Dividends Paid .....	\$ 912,688		
Fixed Asset Additions (Net) .....	387,271		
Security Purchases (Net) .....	337,161		
Advances to Affiliates .....	124,718		
Outside Exploration .....	78,191		
Increase in Prepaid Expenses .....	5,446		1,845,475
			<u></u>

DECREASE IN WORKING CAPITAL .....	\$ 764,213
Working Capital at beginning .....	253,658
	<u></u>

DEFICIENCY IN WORKING CAPITAL AT END — being excess of current liabilities over current assets .....	\$ 510,555
	<u><u></u></u>



## GENERAL MANAGER'S REPORT

The President and Directors,  
Dickenson Mines Limited,  
416 - 25 Adelaide Street West,  
TORONTO, Ontario.

Dear Sirs:

This report covering the operations of your Company for the year 1963 is respectfully submitted.

### PRODUCTION

178,527 tons of ore were milled yielding 91,708.649 fine ounces of gold and 7,925.99 fine ounces of silver. The total value of this bullion was \$3,476,000 or a recovery of \$19.47 per ton milled.

Your Company continued to sell gold to the Bank of Nova Scotia. The average value received from the Bank was \$37.78 per ounce for gold, and \$1.38 per ounce for silver. No benefits were received under the Emergency Gold Mining Assistance Act.

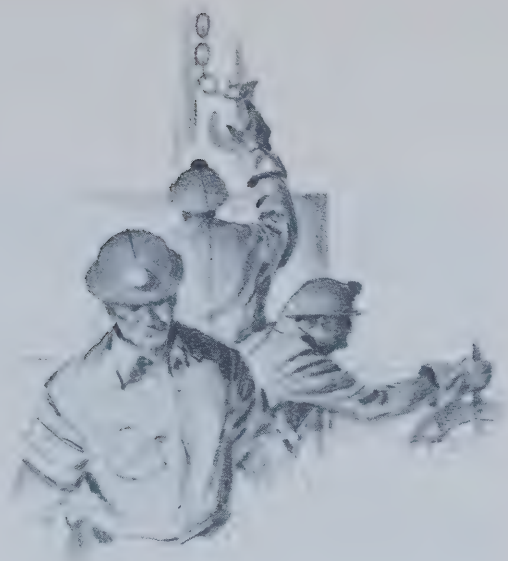
To date the mine has produced 993,907.734 ounces of gold and 86,616.99 ounces of silver with a total value of \$34,962,797 for an average value received from the Mint and the Bank of Nova Scotia of \$35.18 per ounce of gold and 94.8¢ per ounce of silver; total tons milled amount to 2,038,385 for a recovery of 0.49 ounces of gold per ton.

### ANALYSIS OF OPERATING COSTS

		1963		1962
	Total	Per Ton Milled	Per Ounce	Per Ounce
Ore Passes (shaft) .....	\$ 28,754	\$ .16	\$ .31	\$ .40
Exploration and Development .....	553,541	3.10	6.04	4.55
Mining .....	900,373	5.04	9.82	8.41
Milling .....	470,492	2.64	5.13	5.03
Mine General Expense .....	340,881	1.91	3.72	3.70
Head Office Expense .....	127,437	.71	1.39	1.23
Marketing Charges .....	17,603	.10	.19	.23
	<u>\$2,439,081</u>	<u>\$ 13.66</u>	<u>\$ 26.60</u>	<u>\$ 23.55</u>

### MINING

Broken ore totalling 114,159 tons remained in the stopes, a decrease of 14,104 tons from the previous year. Also 1,866 tons remained in ore bins and ore passes at year's end.



Of the 178,436 tons of ore hoisted, 28,407 tons grading 0.532 ounces per ton were obtained from development and 150,029 tons grading 0.538 ounces per ton were obtained from stoping and stope preparation.

Stoping operations were carried on in the North "C", South "C", East South "C", "D", "F", and "H" zones on the upper nineteen levels. Of the total ore hoisted, the percentages from the zones were — North "C" 8.3%; South "C" 33.3%; East South "C" 26.4%; "D" 8.0%; "F" 16.0%; "H" 4.4%; miscellaneous ("E", "I", and Robin) 3.6%.

At year's end ten stopes were operating as cut-and-fill stopes and five were shrinkage. All new stopes are being prepared for cut-and-fill. Tons broken per rock drill shift in stopes and backstopes were 41.8 compared to 39.5 in 1962. The average stope width was 6.7 feet compared to 6.0 feet the previous year.

## EXPLORATION AND DEVELOPMENT

The following is a summary of the development footages completed to the end of 1963 with the previous two years given as a comparison:

	1963	1962	1961	To date
Shaft No. 1 .....	—	—	620	3,589
Station Cutting .....	—	—	235	1,245
Drifting .....	5,001	5,642	5,339	69,727
Crosscutting .....	6,918	6,326	4,999	57,102
Raising .....	3,192	2,817	4,284	36,605
Ore Passes .....	904	259	126	4,054
Waste Passes .....	—	610	320	3,285
Slashing .....	1,052	949	922	15,362

### Diamond Drilling:

Surface .....	—	5,911	—	60,306
Underground .....	54,295	66,847	58,682	637,019

DEVELOPMENTS OF MAJOR INTEREST — Reference can be made to the map at the back of this report to obtain the relative locations of the ore zones mentioned here and the vertical depth of the levels below surface.

(1) The major portion of the lateral development was confined to the lower eight levels (sixteenth to twenty-third) with the bulk of the ore being developed in the East-South "C" zone at the sixteenth, seventeenth and eighteenth levels. The East South "C" zone was reached by the twentieth and twenty-third levels in December. At year's end the main crosscut, at the twenty-second level, had about 469 feet to go to the East South "C" zone and the twenty-first level main crosscut had about 1,180 feet to go.

(2) During the year an erratic occurrence of vein material with visible gold, now designated as the "I" zone was intersected by the twentieth level main crosscut at a point 1,340 feet south of the shaft. Two short ore lenses, having a total length of 120 feet were opened up in this zone by drifting from which the mucks graded 0.97 ounces of gold per ton (all high assays cut to 2.00 ounces). Subsequent raising, diamond drilling and backstopping have shown this zone to be an erratic occurrence of limited extent. However, exploration of the zone is continuing actively in an attempt to locate additional high grade lenses.



(3) The main crosscut (9 x 9 feet) at the twenty-third level was completed to 2,930 feet south of the No. 1 shaft station. This crosscut was driven to explore the twenty-third level and will be the main haulage-way between the No. 1 shaft and the proposed internal shaft. From this crosscut, a (9 x 9 feet) drive is being directed towards the Robin property. This drive is now within 952 feet of the west Robin boundary. A second (8 x 8 feet) drive is being driven from the south end of the twenty-third level crosscut to explore the west side of the property to the Campbell boundary. This drive is within 662 feet of the east Campbell boundary.

(4) The ore pass system was completed from the No. 4 loading pocket to the twentieth level.

#### ORE DEVELOPED BY DRIFTING

Zone	Lineal Feet	Ounces/ Ton	Width Feet	Level
East South "C" .....	1,657	0.55	7.3	16, 17, 18, 20, 23
"I" .....	120	0.97	7.5	20
Total and Average .....	<u>1,777</u>	<u>0.58</u>	<u>7.3</u>	

#### REMARKS ON ORE ZONES

North "C" — ore remnants continue to be developed and mined in this zone.

South "C" — the known ore on the first fifteen levels is completely developed with mining continuing from the seventeenth to sixth levels. Exploration of this zone will eventually be carried out from the bottom levels.

East South "C" — this zone is located east of the South "C" on the same strike. Development of this zone is completed on the fifteenth, seventeenth and nineteenth levels. At the sixteenth level, this zone has been developed to the Robin boundary but requires about 450 feet of drifting to the west. The eighteenth level is completed to within 529 feet of the Robin west boundary. This zone was reached by the twentieth and twenty-third levels at year's end. Stopping is being done in the weaker portion of this zone at the extreme west end on the fifteenth and seventeenth levels. Stope preparation is in progress on the sixteenth, eighteenth and nineteenth levels.

"F" — the known ore in the "F" zone has been developed from the fifteenth to nineteenth levels. This zone has been located by diamond drill holes at the twentieth level. Mining is in progress from the nineteenth to fifteenth levels.

"D" — there is ore to be mined in this zone above the eighth and fifteenth levels. Diamond drilling indicates that there are some lenses of ore in this zone to be developed at the sixteenth and seventeenth levels.

"H" — development of this zone has been completed on the thirteenth, fifteenth, sixteenth, seventeenth and nineteenth levels. This development indicated sizeable bodies of moderate grade ore to be mineable at the fifteenth and seventeenth levels. One stope has been prepared for mining at the seventeenth level.

"I" — this occurrence is located 1,340 feet south of the shaft at the twentieth level. Two short ore lenses totalling 120 feet in length grading 0.97 ounces of gold per ton across an average width of 7.5 feet have been developed. Further development of this zone is continuing.

“B” — no production or development in this zone during the year.

“E” — a small tonnage of mineable ore remains in this zone and further development is warranted.

“G” — the ore occurrences in this zone are very erratic and low in grade. No work is being done at present.

## ORE RESERVES

At December 31, 1963, positive ore reserves, broken and in place, were calculated to be 591,369 tons having an average grade of 0.507 ounces of gold per ton. This compares with 576,717 tons grading 0.515 ounces per ton at December 31, 1962. The distribution of ore is as follows:

	Tons	Grade
Above 1st Level .....	17,030	0.52
“ 2nd Level .....	10,489	0.63
“ 3rd Level .....	19,459	0.64
“ 4th Level .....	1,943	0.44
“ 5th Level .....	11,254	0.38
“ 6th Level .....	17,005	0.38
“ 7th Level .....	20,845	0.42
“ 8th Level .....	24,091	0.46
“ 9th Level .....	16,541	0.50
“ 10th Level .....	14,409	0.55
“ 11th Level .....	2,403	0.45
“ 12th Level .....	11,159	0.84
“ 13th Level .....	6,375	0.56
“ 14th Level .....	17,581	0.50
“ 15th Level .....	35,559	0.35
“ 16th Level .....	67,437	0.47
“ 17th Level .....	121,255	0.45
“ 18th Level .....	108,192	0.53
“ 19th Level .....	48,005	0.67
“ 20th Level and 40 feet below .....	18,637	0.69
“ 23rd Level and 40 feet below .....	1,700	0.57
(All high assays cut to 2.00 ounces)	<u>591,369</u>	<u>0.507</u>

### POSITIVE ORE RESERVES BY ZONES:

Zone	Tons	Grade	Percentage
North “C” .....	92,344	0.532	15.6
South “C” .....	97,902	0.493	16.6
East South “C” .....	206,330	0.543	34.9
“F” .....	85,044	0.549	14.4
“H” .....	78,928	0.383	13.3
“D” .....	21,382	0.455	3.6
“E” .....	8,438	0.434	1.4
“I” .....	1,001	0.493	0.2
	<u>591,369</u>	<u>0.507</u>	<u>100.0</u>



## MILLING

Summary of Mill Operations with the previous year given as comparison.

	1963	1962
Tons treated .....	178,527	175,767
Percent operating time .....	99.10	99.03
Tons treated per day .....	489.1	481.6
Average value mill heads in ounces of gold per ton .....	0.554	0.559
Assay of mill tails in ounces of gold per ton .....	0.040	0.043
Recovery in ounces of gold per ton .....	0.514	0.516
Percent Recovery .....	92.7	92.3

## EXPLORATION DEPARTMENT

Outside exploration from the mine office was concentrated in the Red Lake area. Prospectors continued to submit properties for the Company's consideration from different areas of Northwestern Ontario and their economic possibilities were examined.

Options were allowed to lapse on six copper-nickel claims in the Manitouwadge area and twenty-two copper claims in the White River area (Dawd option). Diamond drilling on the White River area (Dawd option) amounted to 4 holes for a footage of 1,502.0 feet. Low copper values over narrow widths were obtained.

A total of 32 gold, 11 copper-nickel and 3 rare-earth prospects were examined and reported on. Two groups totalling 13 claims were staked in the Red Lake district and 35 claims were allowed to revert to the Crown. Five Red Lake properties were diamond drilled with a total of six holes for a footage of 3,528.0 feet. No significant values were obtained but further work is being considered. Line cutting followed by geological mapping was done on the Laddie property with diamond drilling planned. To facilitate prospecting in the district, a Land Rover truck was purchased. At year end, 86 claims in 11 groups were held by the Company. Dr. S. A. Ferguson of the Ontario Department of Mines was appreciative of the office facilities accorded him by the Company while geological mapping Bateman, Dome, Balmer, McDonough, Baird and Heyson townships.

## CAPITAL EXPENDITURES

Capital expenditures for the year amounted to \$353,568.64 and included the following as the major items:

### SURFACE

- 1 — CCH-750 Chromalox electric heating boiler
- 1 — Sub station complete with 3-500 KVA C.G.E. transformers — 44,000 volts to 550 volts
- 1 — Hough H-60 Payloader with  $\frac{3}{4}$  yard H.D. bucket
- 1 — C.G.E. 700 H.P. 2300 volt motor for main hoist 20' x 87' addition to mine dry

### UNDERGROUND

- 3 — Dorr-Oliver-Long aluminum skip overcage combinations 60 cu. ft. Kimberly skips
- The following reconditioned equipment — 2 C.I.R. D6U-5 H.P. tugger hoists; 4 C.I.R. EU-5 H.P. tugger hoists; 6 C.I.R. H5NN-IJ-10 H.P. slusher hoists; 1 Pillman Model IF-7½ to 10 H.P. slusher hoist; 1 Pillman Model 2F-15 to 20 H.P. slusher hoist

## DEFERRED DEVELOPMENT

Prior to 1963, the costs of drifting, crosscutting, raising, and diamond drilling on the former Detta claims were charged to deferred development. In 1963, the cost of developing the former Detta claims was charged to operations. This amounted to \$302,607.

## GENERAL

Operating costs at the mine are up \$1.46 per ton milled as compared with 1962. Exploration and development costs increased by \$0.76 per ton, accounted for by incorporating Detta costs of \$1.18 per ton into operations for 1963 and a reduction of \$0.42 per ton on Dickenson ground. In addition, mining costs increased \$0.71 per ton as a result of the process of changing to cut-and-fill stope methods.

The operating force at year end, including staff but not including part-time students or diamond drillers, was 290.

Mine labour was plentiful but inexperienced. The hourly wage rate was raised 3 cents. Local 1003 of the International Union of Mine, Mill & Smelter Workers continued as the bargaining agent for employees, a two-year agreement being signed April 14, 1962.

In Balmertown townsite, new construction included: a multiple garage to service the duplex for High School teachers and the Medical Centre with the cost shared equally by Campbell and Dickenson Mines; a modern service station; a wholesale and retail outlet for building supplies and wood manufacturing; an addition to Bennett's Food Market to accommodate a hardware department; two dwellings by Campbell Mines; and two three-bedroom duplexes and substantial additions to seven houses by Dickenson Mines.

The paving of highway 105 was completed south to Ear Falls.

Weight of supplies delivered to the property:

From local sources, (mainly timber, cordwood, oils, and greases) .....	5,073 tons
From outside sources, (chemicals, steel, cookery supplies and capital equipment) .....	1,008 tons
From outside sources, through direct trucking (explosives, mill liners, mill balls, rail) .....	526 tons
Total .....	<u>6,607 tons</u>

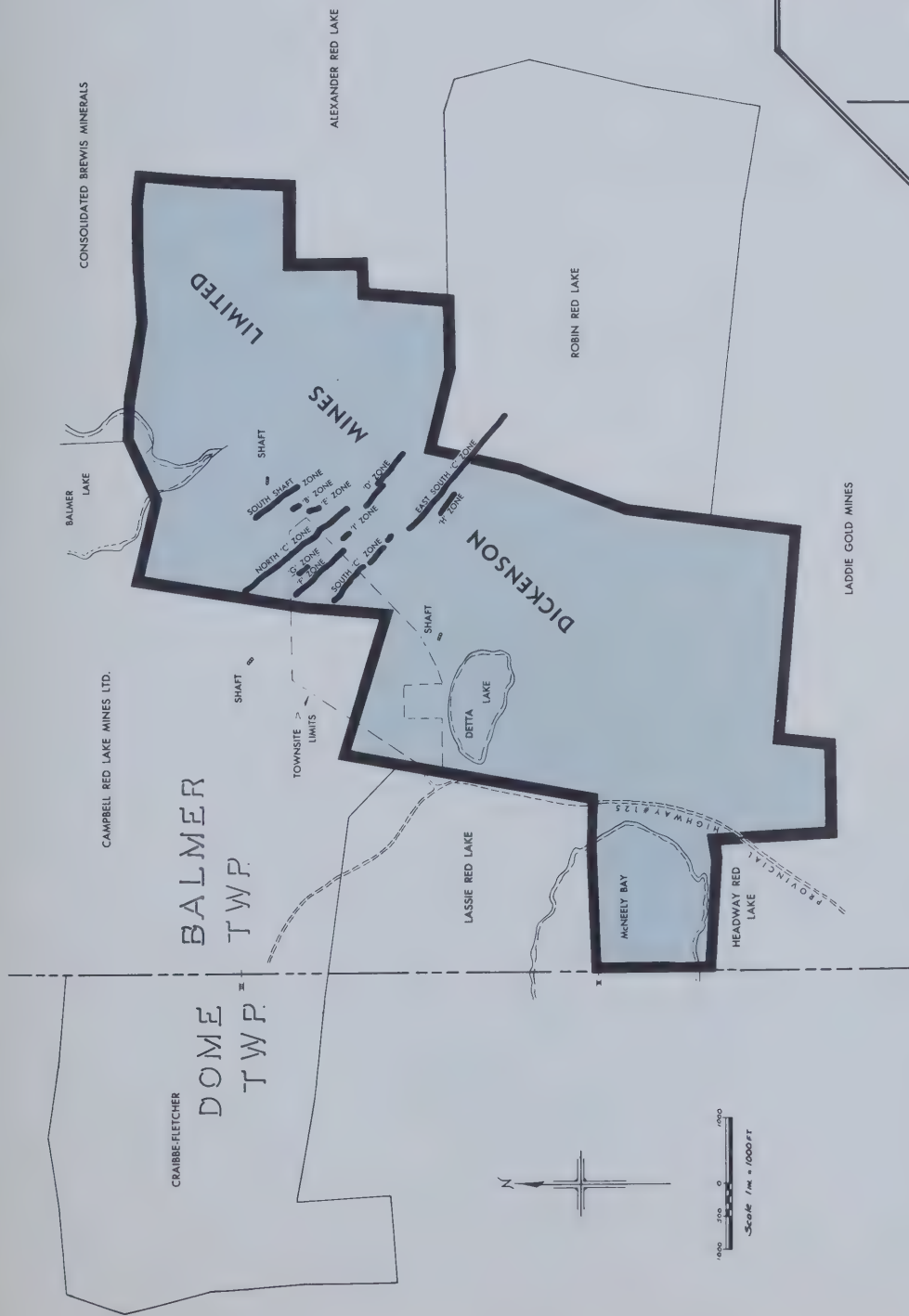
In conclusion I wish to take this opportunity to thank you for your guidance and support and to express my appreciation to the Department Heads and the employees generally for their co-operation.

Yours very truly,

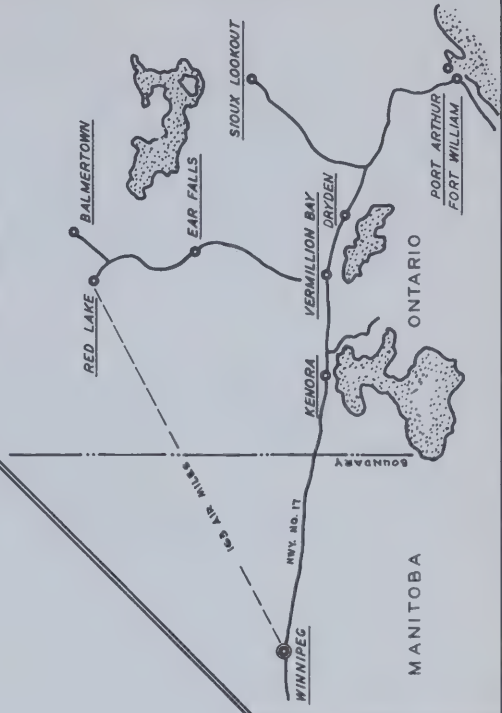
F. A. FELL,  
General Manager.



MINING  
PROPERTIES  
IN THE  
RED LAKE  
MINING DIVISION:  
DISTRICT OF KENORA  
ONTARIO



KEY MAP



LEVEL ELEVATIONS

COLLAR	0 Ft.	1865 Ft.
1st LEVEL	140 "	2015 "
2nd "	265 "	2165 "
3rd "	390 "	2315 "
4th "	515 "	2465 "
5th "	665 "	2615 "
6th "	815 "	2765 "
7th "	965 "	2915 "
8th "	1115 "	3065 "
9th "	1265 "	3215 "
10th "	1415 "	3365 "
11th "	1565 "	3589 "
12th "	1715 "	
SUMP.		

## FINANCIAL HIGHLIGHTS

For the period January 1, 1949 to December 31, 1963

Total revenue from all sources .....	\$36,631,000
Total cost before depreciation and amortization .....	23,242,000
Additional funds received from the issue of shares and bonds .....	1,895,000
Re-invested in capital assets .....	5,256,000
Purchases of securities (net) .....	4,799,000
Expenditures re examination and acquisition of outside properties ..	784,000
Redemption of \$1,500,000 par value bonds .....	1,438,000
Distribution to shareholders .....	4,776,000

